

Direct Marketing - Channels, Benefits And Challenges

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Abstract

Direct market is one of the traditional and successful components of marketing. Now a day, direct marketing helps to increase sales and customer loyalty. Direct marketing activities to reach customer towards products. In this method of marketing helps to face to face contact to client, it leads to create flexible relationship between marketer and consumer. Many companies interested to shift direct marketing to introduce new products and services, satisfy client needs directly on time and get immediate feedback about product and service. In customer view direct marketing is a positive impact toward friendly relationship, satisfy needs and get immediate response from marketers. This is study firstly concentrated direct marketing and its channel of marketing. Direct mail, face to face selling, telemarketing etc., these are few channels of direct markings. Secondly, Importance of direct marketing, strategies and of direct marketing. Finally, benefits and Challenges of direct marketing discussed in this study.

Keywords: Direct mail, Face-to-Face Selling, SMS marketing, Kiosk Marketing, Telemarketing, Couponing.

Introduction

Direct marketing is a process of trade, conversion, research and maintenance by sale activities and direct relationship with the consumers. Direct marketing include four major aspects, they are relational marketing, the process of research, conversion and maintain information and control in the individual level, and advertisements as a direct answer from client response (Miglautsch and Bauer, 1992). Direct marketing is a effective process of marketing that involves forecast analysis, collection of lists, the creation and implementation of the main engagement for the client satisfaction and manage of the investigating marketing activities. Presently, direct marketing concept using leading agencies and advertising agencies to increase sales. (Sharma, 2009). Channels of distribution direct mail, SMS marketing, telemarketing, face to face marketing, kiosk marketing etc., explain in this study, importance, 360* strategies approaches and benefits of direct marketing.

Review of Literature

Shiman, D. R. (2005) Public complaints about the volume of direct marketing received have generated debate about whether direct marketing in certain communications media should be regulated or even banned. A microeconomic approach is used to analyze the benefits and costs to receivers of

direct marketing, and especially the negative externality imposed on non-buyers who must spend time and effort on processing advertising messages.

Tokaji-Nagy, O. (2016) Aimed at the enhancement of lobbying transparency, this paper is a case-study about the impact of the direct selling industry's advocacy in relation to the Consumer Rights Directive. The study describes the industry lobby's principal objectives concerning the revision of the European consumer acquis in detail and explores the efficiency thereof through the investigation into the extent to which the industry's strategic interests have been translated into binding norms.

Gregurec I and Brodar, K (2009) The paper deals with standing of young population about the SMS messaging as an element of direct marketing advertising of small and medium-sized enterprises (SMEs). This issue is of great importance for Croatian SMEs who want to be competitive with SMEs in EU who have already gradually accepted this promotional channel.

Young Ae Kim et al (2009) Direct marketing is one of the most effective marketing methods with an aim to maximize the customer's lifetime value. Many cost-sensitive learning methods which identify valuable customers to maximize expected profit have been proposed. However, current cost-sensitive methods for profit maximization do not identify how to control the defection probability while maximizing total profits over the customer's lifetime.

Malik, P (2012) this paper proposes a theory that direct selling (or multi-level marketing) exhibits a greater likelihood of thriving in collectivist countries as opposed to individualistic countries. The paper would explain the nature and functioning of direct selling and proceed to explicate the various reasons accounting for the success of direct selling particularly in collectivist countries. In addition, value would be added to the theoretical framework by the empirical data of an important direct selling company i.e. Amway.

Donald, D. C. (2018) Securities markets can be linked by dual or cross-listings, international funds of funds, and direct connection between trade-matching platforms. The development of this networking process has been a product of changing technology, the shape of law and the profit incentives of leading broker-dealers. The relative value of different methods of linkage should be judged on the basis of the stage of technological development, market liquidity, efficiency and fairness to the constituencies using markets. Securities markets consist of three, main constituencies: issuers of securities, investors in securities, and broker-dealers trading in securities.

\Chiang, et al (2003)The advent of e-commerce has prompted many manufacturers to redesign their traditional channel structures by engaging in direct sales. The model conceptualizes the impact of customer acceptance of a direct channel, the degree to which customers accept a direct channel as a substitute for shopping at a traditional store, on supply-chain design. The customer acceptance of a direct channel can be strong enough that an independent manufacturer would open a direct channel to compete with its own retailers.

Methods

This paper is theatrical nature. For this purpose secondary data is collected. It focuses on journals, websites, newspapers and reports.

Direct Marketing

Direct marketing is a promotional method that involves presenting information about your company, product, or service to your target customer without the use of an advertising middleman. It is a targeted form of marketing that presents information of potential interest to a consumer that has been

determined to be a likely buyer.
(<https://www.shopify.in/encyclopedia/direct-marketing>)

Direct marketing consists of any marketing that relies on direct communication or distribution to individual consumers, rather than through a third party such as mass media. Mail, email, social media, and texting campaigns are among the delivery systems used. It is called direct marketing because it generally eliminates middlemen, such as advertising media. (Kenton, W, 2020)

Image 1:Direct Marketing



Source: <https://www.google.com/search?q=Direct+Marketing+Works+structure>

Direct Marketing Channels

There are many types of direct marketing channels to choose from when you decide to try this form of marketing out. Types of direct marketing include:(<https://www.oberlo.com/ecommerce-wiki/direct-marketing>)

Direct mail

Direct mail is posted mail that advertises your business and its products and services. There are several different types of direct mail (e.g. catalogues, postcards, envelope mailers). Direct mail campaigns are usually sent to all postal customers in an area or to all customers on a marketing list. Learn more about direct mail.(<https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/direct-marketing/using/types>)

Face-to-Face Selling(<https://www.mplans.com/articles/direct-marketing-fundamentals/>)

The most traditional direct marketing involves the in-house sales force personally contacting potential

and established consumers. Examples of organizations that use face-to-face selling include:

- Mary Kay
- Avon
- Amway

SMS marketing

SMS (short message service) marketing uses permission-based text messages to promote a company's services or products. The texts send updates, promos, and information to customers to raise brand awareness and increase engagement and sales. SMS marketing is a quick and cost-effective way for businesses to reach their target market and is especially effective for demographics that consist of heavy Smartphone users(Kane, S. 2019)

Kiosk Marketing

Public places that get a lot of crowds are always full of opportunities to gain people's attention towards your business. Representatives stationed at kiosks in these places such as shopping malls can directly talk to potential customers by catching their eyes with your products and services(Srinivasan, S. ,2019)

Telemarketing

The second most popular form of direct marketing is telemarketing. In this method marketers contact prospects through telephone. The unpopularity of unsolicited calls has resulted in legislation by the government to protect privacy of telephone users.(B, V.,2020)

Couponing

Couponing is used in print and digital media to elicit a response from the reader. An example is a coupon which the reader receives through the mail and takes to a store's check-out counter to receive a discount.

(<https://www.businessmanagementideas.com/marketing/what-is-directmarketing/20472>)

Importance of Direct Marketing

Direct marketing allows you to generate a response from targeted customers. As a result, small businesses can focus their limited marketing resources where they are most likely to get results. A direct marketing campaign with a clear call to action can help you boost your sales to existing customers, increase customer loyalty, recapture old customers and generate new business. Direct marketing can be evaluated and measured precisely. For example, you can send out test marketing emails directing customers to specific landing pages on your website. You can analyze results to see which email was most successful. You can also test your marketing with sample groups before you roll out the campaign that will deliver the best response rate.(<https://www.marketingdonut.co.uk/direct-marketing/direct-marketing-overview>)

Benefits and Challenges of Direct Marketing

I. Benefits of Direct Marketing

Direct marketing **allows you to promote your product or service directly to your target** audience and measure results quickly, but the benefits don't stop there. Here are some of the advantages that digital direct marketing can bring to your brand.(Campos, B., &Cyberclick. 2020) and good direct marketing campaigns focus on promoting a specific product or service, and call on your customers to act — to receive further information, register their interest, visit your website, make a booking or a purchase.(<https://www.business.qld.gov.au/running-business/marketing-sales/marketing-promotion/direct-marketing/using/benefits>)

a) Targeted

With direct marketing, , you can send explicit messages to specific gatherings of clients and potential clients dependent on their purchasing conduct or socioeconomics. The more you focus on your showcasing at that point, the more effective your mission will be.

b) Personal

You can customize the directive for your crowd. Customized regular postal mail will help improve reaction rates.

c) Measurable

Direct marketing efforts can be followed and checked to dissect the aftereffects of the mission adequately.

d) Informative

Direct advertising efforts convey itemized data on your items and administrations.

e) Builds Loyalty

An immediate advertising effort can construct brand faithfulness by ceaselessly sharing your image's message on various direct promoting channels.

Direct marketing has lots of benefits for small business owners in all industries including (Team, S., 2019)

- Reaching current customers to increase brand loyalty or stimulate repeat purchases
- Optimizing your marketing budget
- Building relationships with new customers
- Testing responses to current or potential products and services
- Providing customers with content they can share to increase positive word-of-mouth
- Increasing sales.

II. Challenges of Direct Marketing

Some of the downsides and hurdles to overcome when using direct marketing include:

- a. **Environment:** Using leafleting or paper-heavy direct mail campaigns can be bad for the environment. To avoid this, and any negative impact on your brand image, use recycled materials or try email campaigns (<https://www.nibusinessinfo.co.uk/content/advantages-and-disadvantages-direct-marketing>)
- b. **Intrusive** – Some people find direct marketing annoying and intrusive. If people find your marketing mail annoying, then it can create a negative brand

association(Robinson, M, 2020)

c. Limited Reach

This is a “perceived” disadvantage of direct marketing to many. The limited reach is due to the fact that mass broadcast techniques (e.g. TV, radio, internet advertising, etc.) are not used. Although it’s true that the reach is less, the reach achieved is more specific and targeted. Reach can be extended by buying high-quality targeted opt-in additional contacts from reputable sources such as Baker Goodchild.(<https://www.bakergoodchild.co.uk/advantages-and-disadvantages-of-direct-marketing/>)

d. Junk Mail

Direct mail pieces are often dismissed as junk mail that does nothing more than clog up the recipient's mailbox. According to the Microsoft Business website, more than 90 percent of direct mail pieces are likely to be tossed aside without being opened or read. You'll need to apply a bit of creativity to get the attention of the recipient, such as addressing each letter by hand. This takes additional time away from more pressing issues in the day-to-day needs of your business.(Joseph, C,2016)

e. Low response rates

Direct advertising reaction rates will in general associate with 1-3%.When you arrive at a customer who isn't keen on your results of administrations, it squanders cash and they are probably going to think that its bothering. Utilize more focused on records rather than conveying mass messages to limit this.

f. Competition

It can be difficult to make your messages stand apart when the beneficiary gets high number of promoting messages or standard mail.

g. Cost

Tactics like selling and standard mail may have high monetary and asset costs.

h. Legal issues

There are laws identifying with security and information assurance in direct promoting. You should guarantee that your mailing list just contains people who have agreed to get showcasing messages from you.

Conclusion

Direct marketing is one of the main forms of promotion used by leading companies, by increasing the performance of the companies.Direct marketing concentrated on the consumers by creating direct face to face contacts with client, by satisfy the needs and requests of the consumers at the same automatically increases sales. In the study discussed channels of direct marketing through telephone and e-mail, to present their products or services, strategies and benefits of direct marketing and to create close contacts with their clients. Companies expected to increase sales, engage campaign between client and marketers, discuss about products and service, satisfy client expectation and rectify problem of customers at the same time sales increase.

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